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LAW OFFICES OF
LOUIS E. GITOMER, LLC.

SURFACE TRANSPORTATION BOARD

LOUIS E. GITOMER
Lou@lgaillaw.com

MELANIE B. YASBIN
Melanie@lgaillaw.com
410-296-2205

October 12, 2011

600 BALTIMORE AVENUE, SUITE 301
TOWSON, MARYLAND 21204-4022
(410) 296-2250 • (202) 466-6532
FAX (410) 332-0885

Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

Dear Ms. Brown:

I have enclosed for e-filing the document described below, to be recorded pursuant to 49 U.S.C. § 11301.

The document is a Second Amendment to Memorandum of Security Agreement, a secondary document, dated as of August 12, 2011. The primary document to which this is connected is recorded under Recordation No. 27990. We request that this document be recorded under Recordation No. 27990-B.

The names and addresses of the parties to the Second Amendment to Memorandum of Security Agreement are:

Collateral Agent:

U.S. Bank National Association
60 Livingston Avenue
EP-MN-WS3C
St. Paul, MN 55107-2292

Borrowers:

RailAmerica, Inc.
Palm Beach Rail Holding, Inc.
RailAmerica Transportation Corp.
A & R Line, Inc.
Alabama & Gulf Coast Railway L.L.C.
Arizona & California Railroad Company
Bauxite & Northern Railway Company
California Northern Railroad Company
Cascade and Columbia River Railroad Company
Central Oregon & Pacific Railroad, Inc.

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The Central Railroad Company of Indiana
Central Railroad Company of Indianapolis
Connecticut Southern Railroad, Inc.
Dallas, Garland & Northeastern Railroad, Inc.
Eastern Alabama Railway, Inc.
Huron & Eastern Railway Company, Inc.
Indiana & Ohio Rail Corp.
Indiana & Ohio Railway Company
Indiana Southern Railroad, Inc.
Kiamichi Railroad Company L.L.C.
Kyle Railroad Company
Kyle Railways, I.I.C
The Massena Terminal Railroad Company
Mid-Michigan Railroad, Inc.
Missouri & Northern Arkansas Railroad Company, Inc.
New England Central Railroad, Inc.
New StatesRail Holdings, LLC
North Carolina & Virginia Railroad Company, LLC
Otter Tail Valley Railroad Company, Inc.
Point Comfort and Northern Railway Company
Puget Sound & Pacific Railroad Company
RailAmerica Contract Switching Services, Inc.
RailAmerica Equipment Corp.
RailAmerica Intermodal Services, Inc.
RailAmerica Operations Shared Services, Inc.
RailAmerica Operations Support Group, Inc.
RailTex, Inc.
Rockdale, Sandow & Southern Railroad Company
San Diego & Imperial Valley Railroad Company, Inc.
San Joaquin Valley Railroad Company
San Pedro Trails, Inc.
South Carolina Central Railroad Company, Inc.
South East Rail, Inc.
StatesRail II Railroad LLC
StatesRail, LLC
Toledo, Peoria & Western Railway Corporation
Ventura County Railroad Company
Conecuh Valley Railway, I.I.C
Three Notch Railway, LLC
Wiregrass Central Railway, LLC
7411 Fullerton Street, Suite 300
Jacksonville, FL 32256

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A description of the equipment covered by the Second Amendment to Memorandum of Security Agreement consists of twenty-six (26) locomotives: Six (6) GP38-2 locomotives numbered FEC 502-506, inclusive, and FEC 509; Fifteen (15) GP40-2 locomotives numbered FEC 404, 410, 417, 420, 424, 437, 440, and FEC 442-449, inclusive; and Five (5) GP40-2 locomotives numbered FEC 706, 707, 712, 721, and 722.

A fee of \$41.00 is enclosed. Please return one copy by email to:

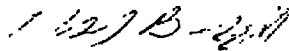
Louis E. Gitomer
600 Baltimore Avenue, Suite 301
Towson, MD 21204
Lou_Gitomer@verizon.net

A short summary of the document to appear in the index follows: a Second Amendment to Memorandum of Security Agreement between U.S. Bank National Association, 60 Livingston Avenue, EP-MN-WS3C, St. Paul, MN 55107-2292, and RailAmerica, Inc., Palm Beach Rail Holding, Inc., RailAmerica Transportation Corp., A & R Line, Inc., Alabama & Gulf Coast Railway L.L.C., Arizona & California Railroad Company, Bauxite & Northern Railway Company, California Northern Railroad Company, Cascade and Columbia River Railroad Company, Central Oregon & Pacific Railroad, Inc., The Central Railroad Company of Indiana, Central Railroad Company of Indianapolis, Connecticut Southern Railroad, Inc., Dallas, Garland & Northeastern Railroad, Inc., Eastern Alabama Railway, Inc., Huron & Eastern Railway Company, Inc., Indiana & Ohio Rail Corp., Indiana & Ohio Railway Company, Indiana Southern Railroad, Inc., Kiamichi Railroad Company L.L.C., Kyle Railroad Company, Kyle Railways, LLC, The Massena Terminal Railroad Company, Mid-Michigan Railroad, Inc., Missouri & Northern Arkansas Railroad Company, Inc., New England Central Railroad, Inc., New StatesRail Holdings, LLC, North Carolina & Virginia Railroad Company, L.L.C., Otter Tail Valley Railroad Company, Inc., Point Comfort and Northern Railway Company, Puget Sound & Pacific Railroad Company, RailAmerica Contract Switching Services, Inc., RailAmerica Equipment Corp., RailAmerica Intermodal Services, Inc., RailAmerica Operations Shared Services, Inc., RailAmerica Operations Support Group, Inc., RailTex, Inc., Rockdale, Sandow & Southern Railroad Company, San Diego & Imperial Valley Railroad Company, Inc., San Joaquin Valley Railroad Company, San Pedro Trails, Inc., South Carolina Central Railroad Company, Inc., South East Rail, Inc., StatesRail II Railroad L.L.C., StatesRail, LLC, Toledo, Peoria & Western Railway Corporation, Ventura County Railroad Company, Conecuh Valley Railway, LLC, Three

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Notch Railway, LLC, and Wiregrass Central Railway, LLC, 7411 Fullerton Street Suite 300, Jacksonville, FL 32256, covering twenty-six (26) locomotives: Six (6) GP38-2 locomotives numbered FEC 502-506, inclusive, and FEC 509; Fifteen (15) GP40-2 locomotives numbered FEC 404, 410, 417, 420, 424, 437, 440, and FEC 442-449, inclusive; and Five (5) GP40-2 locomotives numbered FEC 706, 707, 712, 721, and 722.

Very Truly Yours,

A handwritten signature in dark ink, appearing to read "Melanie B. Yasbin", with a stylized flourish at the end.

Melanie B. Yasbin

Enclosure

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SURFACE TRANSPORTATION BOARD

SECOND AMENDMENT TO MEMORANDUM OF SECURITY AGREEMENT

This Second Amendment to Memorandum of Security Agreement is made and entered into as of August 12, 2011 by and among U.S. Bank National Association, as collateral agent (in such capacity the "Collateral Agent") and RailAmerica, Inc. (the "Company"), Palm Beach Rail Holding, Inc., RailAmerica Transportation Corp., Alabama & Gulf Coast Railway L.L.C., Arizona & California Railroad Company, Bauxite & Northern Railway Company, California Northern Railroad Company, Cascade and Columbia River Railroad Company, Central Oregon & Pacific Railroad, Inc., The Central Railroad Company of Indiana, Central Railroad Company of Indianapolis, Connecticut Southern Railroad, Inc., Dallas, Garland & Northeastern Railroad, Inc., Eastern Alabama Railway, Inc., Huron & Eastern Railway Company, Inc., Indiana & Ohio Rail Corp., Indiana & Ohio Railway Company, Indiana Southern Railroad, Inc., Kiamichi Railroad Company I.L.C., Kyle Railroad Company, Kyle Railways, Inc., The Massena Terminal Railroad Company, Mid-Michigan Railroad, Inc., Missouri & Northern Arkansas Railroad Company, Inc., New England Central Railroad, Inc., New StatesRail Holdings, Inc., North Carolina & Virginia Railroad Company, Inc., Otter Tail Valley Railroad Company, Inc., Point Comfort and Northern Railway Company, Puget Sound & Pacific Railroad Company, RailAmerica Contract Switching Services, Inc., RailAmerica Equipment Corp., RailAmerica Intermodal Services, Inc., RailAmerica Operations Shared Services, Inc., RailAmerica Operations Support Group, Inc., RailTex, Inc., Rockdale, Sandow & Southern Railroad Company, San Diego & Imperial Valley Railroad Company, Inc., San Joaquin Valley Railroad Company, San Pedro Trails, Inc., South Carolina Central Railroad Company, Inc., South East Rail, Inc., StatesRail II Railroad Corp., StatesRail, Inc., Toledo, Peoria & Western Railway Corporation, and Ventura County Railroad Company Conecuh Valley Railway, LLC, Three

Notch Railway, LLC, and Wiregrass Central Railway, LLC (each individually a "Domestic Subsidiary Grantor").

The Company and each Domestic Subsidiary Grantor granted the Collateral Agent a first priority security interest in all locomotives, railcars and other rolling stock of the Company and each Domestic Subsidiary Grantor whether now owned or hereafter acquired, as evidenced by the Memorandum of Security Agreement dated as of June 23, 2009, which was recorded at the Surface Transportation Board on June 23, 2009 at 2:10 pm under Recordation No. 27990.

RailTex, Inc has acquired 26 Locomotives from Florida East Coast Railway, L.L.C. Pursuant to the Security Agreement dated as of June 23, 2009, among the Company, each Domestic Subsidiary Grantor, and the Collateral Agent, the Domestic Subsidiary Grantor grants the Collateral Agent a first priority security interest in all locomotives acquired, a list of which is attached hereto as Attachment 1, effective as of the date first above written and subject to the terms of the Security Agreement.

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this First Amendment to Memorandum of Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.


COLLATERAL AGENT:

U.S. BANK NATIONAL ASSOCIATION as Collateral Agent

By: _____
Name:
Title:

COMPANY:

RAILAMERICA, INC.

By: 
Name: Scott Williams
Title: Senior Vice President, General Counsel and Secretary

DOMESTIC SUBSIDIARY GRANTORS:

PALM BEACH RAIL HOLDING, INC.

By: 
Name: Scott Williams
Title: Vice President

IN WITNESS WHEREOF, each of the parties hereto, pursuant to due corporate authority, has caused this First Amendment to Memorandum of Security Agreement to be duly executed in its corporate name by its officers, thereunto duly authorized, all as of the date first above written.

COLLATERAL AGENT:

U.S. BANK NATIONAL ASSOCIATION as Collateral Agent

By: Donald T. Hurrelbrink
Name: Donald T. Hurrelbrink
Title: Vice President

COMPANY:

RAILAMERICA, INC.

By: _____
Name: Scott Williams
Title: Senior Vice President, General Counsel and Secretary

DOMESTIC SUBSIDIARY GRANTORS:


PALM BEACH RAIL HOLDING, INC.

By: _____
Name: Scott Williams
Title: Vice President


RAILAMERICA TRANSPORTATION CORP.

By: 
Name: Joshua Putterman
Title: Vice President

ALABAMA & GULF COAST RAILWAY L.L.C.

By: 
Name: Joshua Putterman
Title: Vice President


ARIZONA & CALIFORNIA RAILROAD COMPANY

By: 
Name: Joshua Putterman
Title: Vice President


BAUXITE & NORTHERN RAILWAY COMPANY

By: 
Name: Joshua Putterman
Title: Vice President

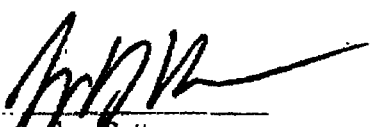
CALIFORNIA NORTHERN RAILROAD COMPANY

By: 
Name: Joshua Putterman
Title: Vice President


CASCADE AND COLUMBIA RIVER RAILROAD COMPANY

By: 
Name: Joshua Putterman
Title: Vice President

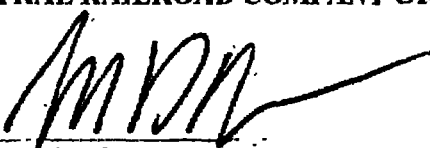
CENTRAL OREGON & PACIFIC RAILROAD, INC.

By: 
Name: Joshua Putterman
Title: Vice President


THE CENTRAL RAILROAD COMPANY OF INDIANA

By: 
Name: Joshua Putterman
Title: Vice President

CENTRAL RAILROAD COMPANY OF INDIANAPOLIS

By: 
Name: Joshua Putterman
Title: Vice President

CONNECTICUT SOUTHERN RAILROAD, INC.

By: 
Name: Joshua Putterman
Title: Vice President

DALLAS, GARLAND & NORTHEASTERN RAILROAD, INC.

By: 
Name: Joshua Putterman
Title: Vice President


EASTERN ALABAMA RAILWAY, INC.

By: 
Name: Joshua Putterman
Title: Vice President

HURON & EASTERN RAILWAY COMPANY, INC.

By: 
Name: Joshua Putterman
Title: Vice President

INDIANA & OHIO RAIL CORP.

By: 
Name: Joshua Putterman
Title: Vice President

INDIANA & OHIO RAILWAY COMPANY

By: 
Name: Joshua Putterman
Title: Vice President

INDIANA SOUTHERN RAILROAD, INC.

By: 
Name: Joshua Putterman
Title: Vice President

KIAMICHI RAILROAD COMPANY L.L.C.

By: 
Name: Joshua Putterman
Title: Vice President


KYLE RAILROAD COMPANY

By: 
Name: Joshua Putterman
Title: Vice President

KYLE RAILWAYS, INC.

By: 
Name: Joshua Putterman
Title: Vice President

THE MASSENA TERMINAL RAILROAD COMPANY

By: 
Name: Joshua Putterman
Title: Vice President

MID-MICHIGAN RAILROAD, INC.

By: 

Name: Joshua Putterman

Title: Vice President

MISSOURI & NORTHERN ARKANSAS RAILROAD COMPANY, INC.

By: 

Name: Joshua Putterman

Title: Vice President

NEW ENGLAND CENTRAL RAILROAD, INC.

By: 

Name: Joshua Putterman

Title: Vice President

NEW STATESRAIL HOLDINGS, INC.

By: 

Name: Joshua Putterman

Title: Vice President

NORTH CAROLINA & VIRGINIA RAILROAD COMPANY, INC.

By: 

Name: Joshua Putterman

Title: Vice President

OTTER TAIL VALLEY RAILROAD COMPANY, INC.

By: 

Name: Joshua Putterman

Title: Vice President

POINT COMFORT AND NORTHERN RAILWAY COMPANY

By: 

Name: Joshua Putterman

Title: Vice President

PUGET SOUND & PACIFIC RAILROAD COMPANY

By: 

Name: Joshua Putterman

Title: Vice President

RAILAMERICA CONTRACT SWITCHING SERVICES, INC.

By: 

Name: Joshua Putterman

Title: Vice President

RAILAMERICA EQUIPMENT CORP.

By: 

Name: Joshua Putterman

Title: Vice President

RAILAMERICA INTERMODAL SERVICES, INC.

By: 

Name: Joshua Putterman

Title: Vice President

RAILAMERICA OPERATIONS SHARED SERVICES, INC.

By: 

Name: Joshua Putterman

Title: Vice President

RAILAMERICA OPERATIONS SUPPORT GROUP, INC.

By: 

Name: Joshua Putterman

Title: Vice President

RAILTEX, INC.

By: 

Name: Joshua Putterman

Title: Vice President

ROCKDALE, SANDOW & SOUTHERN RAILROAD COMPANY

By: 

Name: Joshua Putterman

Title: Vice President

SAN DIEGO & IMPERIAL VALLEY RAILROAD COMPANY, INC.

By: 
Name: Joshua Putterman
Title: Vice President

SAN JOAQUIN VALLEY RAILROAD COMPANY

By: 
Name: Joshua Putterman
Title: Vice President

SAN PEDRO TRAILS, INC.

By: 
Name: Joshua Putterman
Title: Vice President


SOUTH CAROLINA CENTRAL RAILROAD COMPANY, INC.

By: 
Name: Joshua Putterman
Title: Vice President

SOUTH EAST RAIL, INC.

By: 
Name: Joshua Putterman
Title: Vice President

STATESRAIL II RAILROAD CORP.

By: 
Name: Joshua Putterman
Title: Vice President

STATESRAIL, INC.

By: 
Name: Joshua Putterman
Title: Vice President

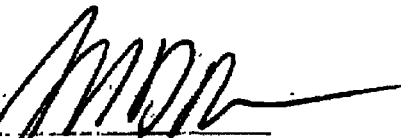
TOLEDO, PEORIA & WESTERN RAILWAY CORPORATION

By: 
Name: Joshua Putterman
Title: Vice President

VENTURA COUNTY RAILROAD COMPANY

By: 
Name: Joshua Putterman
Title: Vice President

CONECUH VALLEY RAILWAY, LLC

By: 
Name: Joshua Putterman
Title: Vice President

THREE NOTCH RAILWAY, LLC

By: 

Name: Joshua Puterman

Title: Vice President

WIREGRASS CENTRAL RAILWAY, LLC

By: 


Name: Joshua Puterman

Title: Vice President

STATE OF FLORIDA)
)
COUNTY OF DUVAL)

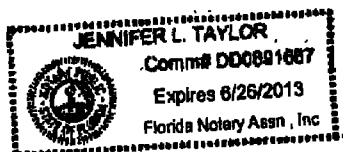
SS:

On this 6 day of October, 2011, before me personally appeared Joshua Putterman, to me personally known, who being duly sworn, stated that he is Vice-President, RailAmerica Transportation Corp., Alabama & Gulf Coast Railway L.L.C., Arizona & California Railroad Company, Bauxite & Northern Railway Company, California Northern Railroad Company, Cascade and Columbia River Railroad Company, Central Oregon & Pacific Railroad, Inc., The Central Railroad Company of Indiana, Central Railroad Company of Indianapolis, Connecticut Southern Railroad, Inc., Dallas, Garland & Northeastern Railroad, Inc., Eastern Alabama Railway, Inc., Huron & Eastern Railway Company, Inc., Indiana & Ohio Rail Corp., Indiana & Ohio Railway Company, Indiana Southern Railroad, Inc., Klamichi Railroad Company L.L.C., Kyle Railroad Company, Kyle Railways, Inc., The Massena Terminal Railroad Company, Mid-Michigan Railroad, Inc., Missouri & Northern Arkansas Railroad Company, Inc., New England Central Railroad, Inc., New StatesRail Holdings, Inc., North Carolina & Virginia Railroad Company, Inc., Otter Tail Valley Railroad Company, Inc., Point Comfort and Northern Railway Company, Puget Sound & Pacific Railroad Company, RailAmerica Contract Switching Services, Inc., RailAmerica Equipment Corp., RailAmerica Intermodal Services, Inc., RailAmerica Operations Shared Services, Inc., RailAmerica Operations Support Group, Inc., RailTex, Inc., Rockdale, Sandow & Southern Railroad Company, San Diego & Imperial Valley Railroad Company, Inc., San Joaquin Valley Railroad Company, San Pedro Trails, Inc., South Carolina Central Railroad Company, Inc., South East Rail, Inc., StatesRail II Railroad Corp., StatesRail, Inc., Toledo, Peoria & Western Railway Corporation, Ventura County Railroad Company, Concuah Valley Railway, LLC, Three Notch Railway, LLC, and Wiregrass Central Railway, LLC, and that the instrument was signed on behalf of the said corporation or said limited liability company by authority of its board of directors, and he acknowledged that the execution of said instrument to be its voluntary act and deed. Before me:



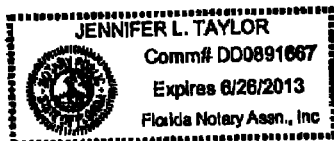
Notary Public for Florida
My Commission expires: 6/26/2013

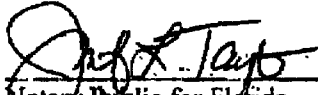
SEAL



STATE OF FLORIDA)
)
COUNTY OF DUVAL) SS:

On this 6 day of October, 2011, before me personally appeared Scott Williams, to me personally known, who being duly sworn, stated that he is the Senior Vice President, General Counsel and Secretary of RailAmerica, Inc., and Vice President of Palm Beach Rail Holding, Inc., and that the instrument was signed on behalf of the said corporation by authority of its board of directors, and he acknowledged that the execution of said instrument to be its voluntary act and deed. Before me:






Notary Public for Florida
My Commission expires: 6/26/2013

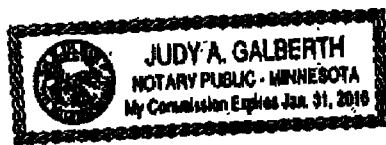
STATE OF MINNESOTA)
COUNTY OF RAMSEY)

SS:

On this 7th day of October, 2011, before me personally appeared
Donald T. Hurrebrink, to me personally known, who being duly sworn, stated that he is the
Vice President of U.S. Bank National Association, and that the instrument was signed
on behalf of the said corporation by authority of its board of directors, and he acknowledged that
the execution of said instrument to be its voluntary act and deed. Before me:


Notary Public
My Commission expires: January 31, 2016

SEAL



ATTACHMENT 1 (RAIL EQUIPMENT)

Six GP38-2 locomotives numbered FEC 502-506, inclusive, and FEC 509

Fifteen GP40-2 locomotives numbered FEC 404, 410, 417, 420, 424, 437, 440, and FEC 442-449, inclusive.

Five GP40-2 locomotives numbered FEC 706, 707, 712, 721, and 722.